

**AMALGAMATED ELECTRIC CORPORATION LIMITED**An Associate Company of The General Electric Co. Ltd. of England

6th September 1963

SEP 18 1963

ANNOUNCEMENT

It was our pleasure last May to send you an announcement of the start of construction of a new modern factory at Markham to replace our present premises at Pape Avenue.

Now, just four months later, I am delighted to advise you that the new factory is nearing completion. Limited production at this new location will commence by September 9th. The transfer of our manufacturing operation from Pape Avenue to Markham occurred during the regular annual holiday shutdown period which this year was deferred to the last three weeks in August. We consider it a considerable feat to have effected this transfer with only a one week longer production shutdown than would normally occur for the annual holiday period. Similarly, we were able to transfer our inventory of finished stores from Pape Avenue to Markham with a two and a half day interruption of normal shipments.

The transfer of our office staff is expected by the third week in September when it is anticipated the office will be ready for occupancy.

During the past two years, many changes and improvements have occurred in our operations and our new plant reflects the latest of these. Others are planned for implementation in the future.

The recent development of the Company has been along the lines of specialization, having terminated production of motor control and fluorescent lighting products. This resulted in the need for different factory facilities to improve manufacturing and handling efficiency for our present product lines which are distributed in a highly competitive market.

Regretfully, the termination of the manufacturing of such products and the improvement in efficiency at the new plant means that not all of our employees could be taken with us. However, some 195 employees out of an anticipated work force of 270, have been transferred with all benefits. Special severance arrangements, not called for by the union contract, were made for those forty years of age and over and ten years of service whose service has been terminated. For example - all employees sixty years of age

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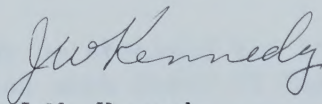
and over who were so released have been pensioned or granted special retirement allowances, although the normal retirement age under the negotiated plan is 68. This requires a fund of over \$100,000.00 based on an actuarial calculation. Employees whose service has been terminated have been assisted wherever possible in finding new jobs and we have been able to advise some 100 individuals of job opportunities. Many others have, of course, already secured jobs for themselves.


Contrary to certain reports which have appeared in the press, on radio and on television, the Company is not running away from the union contract. The existing contract at the Pape Avenue plant covers only the Company's hourly rated employees at that location. When the plant at Markham is in full operation, the Company will recognize and negotiate with any certified union if one is selected by the employees. However, this decision is one which employees must make for themselves.

Because of the Company's wish to avoid a public dispute with the U.E., there has been a one-sided and somewhat distorted presentation of their claims through the press, other news media and direct mail. Enclosed is a Company press release issued on August 19th but which you may not have seen reported in full.

I would draw your attention to the letterhead and trademark appearing at the top of this letter. The Company engaged the services of a firm of industrial designers to develop with us a new trademark and letterhead. You will see in increasing numbers over the next few months, our new trademark appearing on our cartons, on our labels and on our products themselves as part of the product name plate. It is our firm pledge that the same high quality of workmanship and design, which you have found in the products bearing our old trademark, will be maintained or surpassed in the products bearing our new label.

Yours very truly,


J.W. Kennedy,
Marketing Manager.



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PRESS RELEASE
FOR IMMEDIATE RELEASE

The following statement is issued by Amalgamated Electric Corporation Limited in the interests of an accurate and fair assessment of the company's decision to relocate its Toronto operations.

WHY WE ARE MOVING: THE FACTS

1. DEMANDS OF COMPETITION Intensely competitive conditions in the electrical industry today necessitate the most efficient manufacturing facilities possible in order to compete successfully in both domestic and foreign markets. It was against this background that a major reorganization of the company's affairs involving rationalization of product activities was started in 1961. The first stage of this reorganization has been successfully implemented over the past two years. Stage two involves the relocation of the company's Pape Avenue plant, much of it more than 50 years old and consisting of 11 multi-storey buildings scattered over a five and a half acre site. Replacement of these basically inefficient manufacturing facilities has been under study for the past 18 months and in March of this year, the decision was taken to construct a modern plant for occupancy in August.
2. WHY MARKHAM? In selecting a site for the new factory, many locations were considered, some of them as far as 100 miles from Toronto. Although there were many advantages to some locations, a move to one of these communities further afield would have meant the virtual elimination of all but a few key personnel. The Markham site, therefore, was chosen as affording maximum advantages, and its proximity to Toronto made possible the transfer of the maximum number of company personnel.
3. EMPLOYEES TRANSFERRED This last point cannot be stressed too strongly since of an anticipated work force at Markham of 270, no fewer than 195 are being transferred from Pape Avenue. This group represents an appropriate cross section of employees in terms of age and length of service. All employees transferred will receive the same rates of pay, benefits, and continuity of service enjoyed at the Pape Avenue plant. Once work commences in Markham, additional

personnel will be gradually engaged as the need develops. It is expected that this number may reach 75. The company believes that a reasonable proportion of its work force should be drawn from the immediate community in which the new plant is located.

4. REDUCTION
OF WORK
FORCE

Much publicity has been given to the fact that 188 people received termination notices, and the implication has been that all the 188 could have been transferred to Markham. This is not so, since a much smaller number of employees will be required to complete the estimated needs of the Markham plant. These will be gradually added over a period of weeks or months from the Markham area. The company recognizes and regrets that termination will involve hardship for some of its Pape Avenue employees. It is giving what help it can to these people to relocate them in new jobs. In addition to arranging for their in-plant registration with the National Employment Service immediately after termination notice was given, efforts have been made and will continue to be made to recommend individuals to other companies.

5. MAXIMUM
TERMINATION
NOTICE

Were those whose employment has been terminated treated fairly? In reply it can only be said that of the several alternatives available to management, the decision made was that the affected employees be given maximum termination notice to facilitate their relocation over a period of weeks rather than, for example, delay the announcement until their return from vacation September 3. Notification of the company's intention was therefore given a full six weeks in advance of the termination date.

6. TERMINATION
PAYMENTS

Termination payments established by the company covered all employees with a minimum of 10 years of service and 40 years of age and over, and were weighted in favour of age rather than length of service. Payments will range from approximately one to thirteen weeks' pay, which, in total, represents a substantial commitment for the company. In addition, a number of older employees who were nearing retirement age have been provided with early retirement allowances.

7. UNION
REPRESENTA-
TION UP TO
EMPLOYEES

The company will recognize and negotiate with any certified Union as selected by employees at the new plant. However, the decision as to Union representation is one which employees must make for themselves.

8. ILLEGAL
STRIKE

It is not the intention of the company to withhold termination payments from those employees who have participated in what the company regards as the unlawful activities of the U.E. Union and some of the employees. It should be pointed out that the illegal work stoppage that has occurred at the Pape Avenue plant was not fully supported by all the company's employees and some 100 hourly rated workers have continued to report for work.

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7. UNION
REPRESENTATION
FROM UP TO
EMPLOYEES

8. LOCAL
SERIES